

**MINUTES OF THE
CALIFORNIA INFRASTRUCTURE AND
ECONOMIC DEVELOPMENT BANK**

For the meeting held on

Wednesday, September 20, 2006
1001 I Street - Second Floor
Sierra Hearing Room
Sacramento, California 95814

Chairwoman Karin Fish called the meeting of the California Infrastructure and Economic Development Bank (I-Bank) Board to order at approximately 3:00 p.m.

1. Roll Call.

Karin Fish represented the Secretary of the Business, Transportation and Housing Agency.
Francisco Lujano represented the State Treasurer.
Rosario Marin, Secretary of the State and Consumer Services Agency.
D. Everett Rice, Governor's appointee.
The Director of the Department of Finance was absent.

2. Executive Director's Report.

Executive Director Stan Hazelroth updated the Board on the I-Bank's various activities for the past month including bond issuances for the Salvation Army USA - Western Territories and Le Lycée Francais de Los Angeles. Mr. Hazelroth also announced that he recently signed the I-Bank's first inducement certificate on behalf of M.A. Silva Corks USA, LLC, under the authority delegated to him by the Board last month, and briefly described the company and the project. Additionally, he apprised the Board that a few of the I-Bank staff will attend the Bond Buyer conference in San Francisco next week.

Consent Items.

3. Approve minutes from the August 22, 2006 meeting.

Chairwoman Fish asked if there were any corrections or additions to the minutes. There being none, she entertained a motion to approve the consent item. Ms. Marin moved to approve the minutes and Mr. Rice seconded the motion. The minutes were unanimously approved.

Action Items.

4. Adopt resolution approving the sale, issuance and delivery of 501(c)(3) revenue bonds for the Society for the Blind, or a related party (Sacramento) for an amount not to exceed \$2,300,000.

Mr. Francisco Lujano, representing State Treasurer, Philip Angelides, read the following statement:

“The Treasurer has disqualified himself from participation in all decisions relating to this matter. We have been advised by CIEDB staff that the Society for the Blind is a debtor of Five Star Bank. Buzz Oates, who has been a source of income for the Treasurer in the past, has a significant ownership interest in Five Star Bank. Out of an abundance of caution, the Treasurer will continue to disqualify himself from participating in, making or attempting to influence any governmental decisions relating to this matter.”

After this statement, Mr. Lujano exited the meeting room.

Ms. Barbara Lewis presented a staff report and introduced Mr. Kevin Duggan, Executive Director, and Ms. Violeta Tagle, Chief Administrative Officer, both of the Society for the Blind, and Mr. John Dowdell of Dowdell Financial Services, Financial Advisor for the transaction. Ms. Marin inquired as to the sufficiency of the funding for the project given the uncertainties of costs in today's construction market. Mr. Duggan replied that the Sacramento building community has been exceedingly generous in donating time, expertise and materials to the project, lowering the actual costs to be paid with bond proceeds, and that staff has been diligent in containing costs. Chairwoman Fish entertained a motion to approve Resolution No. 06- 38. Ms. Marin moved to approve the resolution and Mr. Rice seconded the motion. Ms. Fish, Ms. Marin and Mr. Rice approved the resolution. Mr. Lujano was not present.

Mr. Lujano then reentered the meeting room and resumed his seat.

5. Adopt resolution approving the sale, issuance and delivery of 501(c)(3) refunding revenue bonds for The Colburn School, or a related party (Los Angeles) for an amount not to exceed \$150,000,000.

Ms. Barbara Lewis presented a staff report and introduced Ms. Jean Sommerville, Director of Finance, The Colburn School, and Mr. Raigen Padayachee, Banc of America Securities LLC, Underwriter. There being no questions, Chairwoman Fish entertained a motion to approve Resolution No. 06-39. Mr. Rice moved to approve the resolution and Ms. Marin seconded the motion. The Board unanimously approved the resolution.

Other Business.

Chairwoman Fish called for any other business. There was none. Ms. Fish took the opportunity to mention that a client of the I-Bank had sent a very complimentary e-mail regarding the service they had received from the I-Bank and staff. Ms. Fish thanked the I-Bank staff for the continued excellent quality work.

Ms. Marin explained that she had received a telephone message from a potential I-Bank applicant about the Board taking an action on a new project, but was unable to return the call prior to the Board meeting. She further iterated that she would like to allude to the fact that there

are processes that need to be completed before coming back to the Board. Mr. Hazelroth stated that I-Bank staff had a good discussion about the process with the potential applicant and Assemblyman Dymally just prior to the Board meeting, and will be continuing discussions about how the project might fit within the process. Ms. Marin stated that, if and when appropriate, she would like the Board to take a look at it as a potential project, but that it might be too premature at this point. Mr. Hazelroth agreed that it was premature at this time.

Public Comment.

Chairwoman Fish called for any public comment. There was no public comment.

Adjournment.

Chairwoman Fish adjourned the meeting at approximately 3:21 p.m.